

**Public Water Supply District #2 of St. Charles County, Missouri
Minutes of the December 13, 2017 Regular Board Meeting**

Denis Raab, President
Vicky Steinkamp, Director
Jim Inghram, Director

John Cook, Vice President
Kay Schnurr, Director

Mark Piontek, Legal Counsel
Brian Schwermann, Financial Consultant

Bob Schwermann, Financial Consultant

Kevin Dunn, General Manager/Treasurer

Kim Cantrell, Clerk
Matt Jaspering, District Engineer

Ron Smith, District Manager
Brian Pieper, Operations Manager

Guests: Tim Baker of Cole & Associates and Adam Hirtz of Lowenbaum Law

The regular meeting of the Board of Directors of Public Water Supply District #2 of St. Charles County, Missouri, was held on December 13, 2017 at the Water District offices, 100 Water Drive, O'Fallon, Missouri, at 6:00 PM.

Denis Raab called the meeting to order. Kim Cantrell served as Clerk of the meeting and attested that notice of the meeting was duly and timely posted. The following directors were present: Denis Raab, John Cook, Vicky Steinkamp, Kay Schnurr and Jim Inghram.

John Cook motioned to open the Regular meeting held on December 13, 2017, seconded by Kay Schnurr, all yea, motion carried.

Vicky Steinkamp moved to adopt the agenda as presented, seconded by Kay Schnurr, all yea, motion carried.

Denis Raab requested review and discussion of the November 8, 2017 Regular Board meeting minutes, Kay Schnurr motioned to accept the November 8, 2017 Regular Board meeting minutes as presented, seconded by Vicky Steinkamp, all yea, motion carried. Next, Denis Raab requested review and discussion of the November 16, 2017 Special Board meeting minutes, Kay Schnurr motioned to accept the November 16, 2017 Special Board meeting minutes as presented, seconded by John Cook, all yea, motion carried, Next Denis Raab requested review and discussion of the November 21, 2017 Special Board meeting minutes, Vicky Steinkamp motioned to accept the November 21, 2017 Special Board meeting minutes as presented, seconded by Jim Inghram, all yea, motion carried, Lastly, Denis Raab requested review and discussion of the November 30, 2017 Special Board meeting minutes, Kay Schnurr motioned to accept the November 30, 2017 Special Board meeting minutes as presented, seconded by Vicky Steinkamp, all yea, motion carried, all yea, motion carried.

Denis Raab presented the list of bills and additions for review and consideration. After further discussion, Jim Inghram motioned to approve the bills, seconded by Kay Schnurr, all yea, motion carried.

Denis Raab requested Kevin Dunn review the District's Treasurer's Report. Mr. Dunn reviewed the District's Treasurer's Report including the Summary of Bank Accounts, Balance Sheet, and revenues and expenses for the period ending October 31, 2017. After further discussion, John Cook motioned to approve the Treasurer's Report as presented, seconded by Vicky Steinkamp, all yeas, motion carried.

Denis Raab requested Tim Baker of Cole & Associates present his findings and opinion on his review of the maintenance records once Alliance had organized all of the documents. Mr. Baker stated he was still unable to find information on three of the assets, some items had no three years of maintenance records and documents were missing. It was Mr. Baker's opinion that the maintenance records did not meet expectations.

Kevin Dunn informed the Board that the Financial Audit began on Monday, December 11, 2017 in the Alliance Water Resources, Columbia office.

Denis Raab provided an update to the residents present that Alliance Water Resources served a restraining order but it failed in the courts.

Kevin Dunn informed the Board he is gathering additional data on the Office 365 program.

Kevin Dunn stated that he met with City of O'Fallon officials and they will be discussing with their counsel about the possibility of sharing the cost of odor control measures.

Kevin Dunn reviewed the changes to the Rules & Regulations due to the change in the new System Development Fee structure reflecting meter size. After further discussion, Kay Schnurr moved to accept the changes to the Rules & Regulations due to the new System Development fee structure, seconded by Jim Inghram, all yeas, motion carried

Kim Cantrell explained that currently the Authorities \$50.00 deposit does not cover the average bills on customers that skip out so more and more has to be turned over to collections and sometimes remains uncollected. Mrs. Cantrell stated that staff requests that the Security Deposit be increased to \$100.00 for meters ¾ inch to 1 ½ inch, \$200.00 for 2 inch meters, \$300.00 for 3 inch meters and \$350.00 for meters larger than 4 inches. After further discussion, Kay Schnurr moved to increase the security deposit as prescribed, seconded by Vicky Steinkamp, all yeas, motion carried.

Denis Raab asked Mark Piontek if he had items for Legal. Mark Piontek stated he had no items for the Board to discuss at this time.

Denis Raab requested that Brian Pieper provide the Board with an update on the operations of the District. Mr. Pieper reported on the operations and maintenance of the District's water and sewer systems and other facilities during the month of October 2017. Mr. Pieper also presented information on customer service inquiries that were handled during the month.

Denis Raab requested Matt Jaspering present the Engineer's Report. Mr. Jaspering provided updates on the Water District's projects including the Lake St. Louis Sewer Improvement Project. Mr. Jaspering stated he received a request from IPI with regards to a contract extension and will have additional information available at the next month's meeting.

Matt Jaspering informed the Board that staff solicited bids for well sampling and reporting related to the District's Department of Energy partial grant to monitor the District's well filed. Mr. Jaspering stated that of the three firms that were solicited, AECOM was the only firm that opted to submit a proposal in the amount of \$23,500.00. After further discussion, Jim Inghram motioned to approve the proposal from AECOM in the amount of \$23,500.00 for well field monitoring and testing, seconded by John Cook, all yea, motion carried.

Matt Jaspering stated that in conjunction with providing electrical services to the District's new Lakewood Lift Station, Cuivre River Electric Cooperative has requested the District grant a new utility easement for the existing and proposed electric facilities to be located on the District's new Lakewood Lift Station site. After further discussion, Kay Schnurr motioned to approve granting Cuivre River Electric Cooperative 2,928 square feet of utility easement as required to provide electrical service to the Water District's new Lakewood Lift Station, seconded by John Cook, all yea, motion carried.

Matt Jaspering informed the Board that JGB Holdings, LLC has completed all obligations to the District at this time for the Muirfield Manor development's 3-year escrow agreement and staff requests the Board to approve the release of \$11,088.00 from their escrowed security deposit. After further discussion, Jim Inghram motioned to release \$11,088.00 of JGB Holdings, LLC escrowed security deposit on the Muirfield Manor development, seconded by Kay Schnurr, all yea, motion carried.

Matt Jaspering explained that ten permanent easements were dedicated to the Water District that require the Board's formal acceptance. Staff requested the Board approve and accept Premier Civil Engineering Building easement with a value of \$303.88, Wyndstone Phase 1 easement with a value of \$2,610.04, Legacy at Patriots Ridge easement with a value of \$71,169.21, Mary Gore 8901 Highway N easement with a value of \$2,098.36, Prospect Place Apartments Phase 2 easement with a value of \$11,746.60, Westleigh Estates Phase 1 easement with a value of \$235,535.30, Hickory Trails Sewer Trunk line with a value of \$203.45, Hickory Trails Sewer Trunk line easement with a value of \$2,953.93, Villages at Shady Creek Phase 4, Plat 4 easement with a value of \$133,407.76, Villages at Shady Creek Phase 4, Plat 5 easement with a value of \$138,836.00 . After further discussion, Jim Inghram motioned to approve the acceptance of these dedicated permanent easements; seconded by Kay Schnurr, all yea, motion carried.

Matt Jaspering explained there were five new water and sewer systems that have been dedicated to the Water District that requires the Board's formal acceptance. Staff requested the Board approve and accept Hickory Trails Sanitary Trunk Main with a construction cost of \$46,903.00 for sewer, Legacy at Patriots Ridge with a construction cost of \$132,033.00 for water, Westleigh Phase 1 with a construction cost of \$150,000.00 for water, Prospect Place Apartments Phase 2 with a construction cost of \$22,331.03 for sewer and \$13,165.00 for water, Villages at Shady Creek Phase 4 with a construction cost of \$152,186.80 for water. After further discussion, Kay Schnurr motioned to approve the acceptance of the water and sewer systems; seconded by Vicky Steinkamp, all yea, motion carried.

John Cook inquired about the invoices for the use of District equipment at other Alliance divisions. Mr. Cook inquired if there was a contract that would allow Alliance to loan out District equipment. Mark Piontek stated there should be a contract specifying the rates and reasons allowed for Alliance to be able to loan out District equipment. The Board directed Kevin Dunn and Mark Piontek to create a contract for non-emergency services.

Bob Schwermann informed the Board that the interest rate had been increased by ¼ percent and that the new tax law will have some effect on the District.

Kevin Dunn presented the letter of Engagement from Hochschild, Bloom and Company.

The Board offered congratulations for a job well done by the office staff with regards to a positive feedback letter from a satisfied customer.

Kay Schnurr requested Ron to review the numbers that are on the Monthly Financial Status update. Ron Smith stated he would review the numbers and report back next month.

Denis Raab opened the floor for Public Comment. Gary Torlina asked about the blasting near Lakewood. Matt Jaspering responded to his question.

Chuck Ruedeusch Sr., asked about the security deposits. Bob Schwermann gave a brief history as to why the District started refunding the security deposits.

Rolf Albers requested an update on the sewer project on the little and big lake.

Ron Smith informed the Board and those guests present that there is a large amount of data present in the service building for maintenance records. Mr. Smith stated that Alliance has been here for 30 years and systems are in good working order, good drinking water has been being provided, financials awards for accounting practices have been received.

Dan Oberle inquired what the temporary restraining order is for. Adam Hirtz of Lowenbaum Law responded.

Barbara Courtney stated she was concerned about maintenance records not being available and provided on District equipment and vehicles.

Denis Raab stated there are matters for which the Board should convene in executive session pursuant to Section 610.022(1) and Sections 610.021(1) and (2) RSMo to discuss matters involving legal actions, confidential and/or privileged communications between District Officials, its representatives and its attorneys, and/or leasing, purchase or sale of real estate. Kay Schnurr motioned to close the regular session and convene to an executive session; seconded by John Cook. Kim Cantrell called a roll call vote: Vicky Steinkamp voted yea, Kay Schnurr voted yea, John Cook voted yea, Denis Raab voted yea, Jim Inghram voted yea, all yea, motion carried.

Kay Schnurr motioned to adjourn the Executive Session and reopen the Regular Session; Vicky Steinkamp seconded. Kay Schnurr called a roll call vote: Kay Schnurr voted yea, John Cook voted no, Vicky Steinkamp voted yea, Denis Raab voted yea, Jim Inghram voted yea, motion passed.

Denis Raab inquired if there was any other business to come before the Board. Being no other items for business, Jim Inghram motioned to adjourn; Vicky Steinkamp seconded, all yea, motion carried.

Minutes approved this 10th day of January, 2014.



Denis Raab, President



Kim Cantrell, Clerk

